EXHIBIT B

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	.	Chapter 11
NorthWestern Corporation,	.	Bankruptcy #03-12872 (JLP)
Debtor(s).	.	Bankruptcy #04-11321 (JLP)

Wilmington, DE
January 11, 2006
10:30 a.m.

TRANSCRIPT OF MOTIONS HEARING
BEFORE THE HONORABLE JOHN L. PETERSON
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For The Debtor(s): Jesse H. Austin, Esq.
Paul Hastings Janofsky
& Walker, LLP
600 Peachtree St.-24th Fl.
Atlanta, GA 30308

Karol K. Denniston, Esq.
Paul Hastings Janofsky
& Walker, LLP
600 Peachtree St.-24th Fl.
Atlanta, GA 30308

Victoria Counihan, Esq.
Greenberg, Traurig, LLP
The Brandywine Bldg.
1000 West St.-Ste. 1540
Wilmington, DE 19801

For Magten Asset Management: Gary Kaplan, Esq.
Fried Frank Harris Shriver
& Jacobson, LLP
One New York Plaza
New York, NY 10004

For Franklin Mutual: Advisers, LLC	Charlene Davis, Esq. The Bayard Firm 222 Delaware Ave.-Ste. 900 Wilmington, DE 19899
For Law Debenture Trust: Company of New York	John V. Snellings, Esq. Nixon Peabody, LLP 100 Summer Street Boston, MA 02110
	Kathleen Miller, Esq. Smith Katzenstein & Furlow, LLP The Corporate Plaza 800 Delaware Ave Wilmington, DE 19899
For Merle D. Lewis:	Neal J. Levitsky, Esq. Fox Rothschild, LLP Citizens Bank Center-Ste. 1300 919 N. Market Street Wilmington, DE 19899
(Via telephone)	
For Unofficial Committee: of Senior Noteholders	Ephraim Diamond, Esq. Paul Weiss Rifkind Wharton & Garrison, LLP 1285 Avenue of the Americas New York, NY 10019
	Margaret Phillips, Esq. Paul Weiss Rifkind Wharton & Garrison, LLP 1285 Avenue of the Americas New York, NY 10019
	James Wheaton, Esq. Paul Weiss Rifkind Wharton & Garrison, LLP 1285 Avenue of the Americas New York, NY 10019
For Ad Hoc Committee of: Class 7 Creditors	Matthew J. Williams, Esq. Kramer Levin Naftalis & Frankel, LLP 919 Third Ave. New York, NY 10022

For Richard Hylland:	Karl E. Robinson, Esq. Winthrop & Weinstine, PA 225 South Sixth St.-ste. 3500 Minneapolis, MN 55402
	Michael A. Rosow, Esq. Winthrop & Weinstine, PA 225 South Sixth St.-ste. 3500 Minneapolis, MN 55402
For Matson Claimants:	Thomas R. Meites, Esq. Meites Mulder Burger & Mollica 208 S. LaSalle Street-Ste. 1410 Chicago, IL 60604
Audio Operator:	Brandon J. McCarthy
Transcribing Firm:	Writer's Cramp, Inc. 6 Norton Rd. Monmouth Jct., NJ 08852 732-329-0191

Proceedings recorded by electronic sound recording, transcript produced by transcription service.

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(Proceeding in progress)

THE COURT: -- NorthWestern Corporation, 03-12872. Parties, give their appearances for the record, please.

MR. AUSTIN: For the record, Your Honor, I'm Jesse Austin of the firm of Paul Hastings Janofsky & Walker as for NorthWestern Corporation. Also with me this morning is Ms. Karol Denniston.

THE COURT: Thank you.

MR. KAPLAN: Good morning, Your Honor, Gary Kaplan from Fried Frank Harris Shriver & Jacobson on behalf of Magten Asset Management.

THE COURT: Thank you.

MS. PHILLIPS: Good morning, Your Honor, Margaret Phillips of Paul Weiss Rifkind Wharton & Garrison on behalf of the Plan Committee, and joining me in the Courtroom today is my colleague James Wheaton.

THE COURT: Good morning.

MR. WHEATON: Good morning.

THE COURT: We have some individuals, I understand, that are on the Court conference -- Court Call. We have Mr. Diamond from the Unofficial Committee of Service, listen only.

MR. DIAMOND: Yes, Your Honor.

THE COURT: Matthew Williams here.

MR. WILLIAMS: Yes, Your Honor.

THE COURT: All right, thank you. Karl Robinson?

MR. ROBINSON: Yes.

THE COURT: Roscow? Rosow? Thomas Meites?

MR. MEITES: Present, Your Honor.

THE COURT: Thank you. Tom Knapp?

ALL: (No verbal response).

MR. AUSTIN: Mr. Knapp I do not believe will be joining us.

THE COURT: All right. John Singer?

MR. SINGER: Yes, Your Honor.

THE COURT: Any other counsel in Delaware who wants to make an appearance?

MS. COUNIHAN: Yes, Your Honor, Victoria Counihan from Greenberg, Traurig on behalf of NorthWestern.

THE COURT: Thank you.

MS. DAVIS: Good morning, Your Honor, Charlene Davis of the Bayard Firm on behalf of Franklin Mutual Advisors, LLC.

MR. SNELLINGS: Good morning, Your Honor, John Snellings from Nixon Peabody representing Law Debenture Trust Company, the Indentured Trustee to the Quipps.

THE COURT: Anyone else?

ALL: (No verbal response).

THE COURT: All right, Mr. Austin, you may proceed with the calendar.

MR. AUSTIN: Thank you, Your Honor. As the Court noted, we're here today on NorthWestern's Chapter 11 case. I'd

like to note to the Court that this may well be one of the last regularly scheduled Omnibus Hearings that we may need in these proceedings. Ms. Denniston, as is usually the case, prepared to go over the agenda, but I think once we go over the agenda we believe there maybe only three matters to address, and only one of those may be relatively some level of substance and none of which should take too long. I would request that at conclusion of today's hearing that we take some time to go over to advise the Court of the remaining unresolved matters in the bankruptcy case. To the process and the prescient context. At this time, NetExit's Chapter 11 case has been confirmed and gone effective. January the -- January 20 is the date set for final hearings in the case on all administrative claims. Following that hearing and the appeal periods, we anticipate soon -- actually, it you've probably taken an order closing in the NetExit case because distributions have made and claims have been addressed. At this point, Judge Baxter, to whom the NetExit case was transferred, has already transferred those proceedings to Judge Carey, who is now the -- sitting as a Delaware Bankruptcy Court Judge. And as a note, Judge, we can then go over the matters at the conclusion which we still see as still being open in the NorthWestern case, and I can advise the Court there are very few that still have to -- have some level of activity in them. With that, I'd like to have Ms. Denniston go over the agenda, if possible.

THE COURT: Thank you. We'll take up the matter of the objection to the Proof of Claim filed by Mr. Blue. I want to say, Mr. Blue is not on the Court Call. I will put into the record that our Deputy Clerk in Delaware has reported to me that he -- she spoke to Mr. Blue on January the 10th, 2006 and gave him Court Call's phone number and explained that if he wanted to participate by telephone, he needed to call them. He did not contact Court Call, and therefore, he's not on the conference. Mr. Blue requested that he would not -- told us that he was not going to be present in person, but that he wanted to participate by telephone, and he has had that opportunity. You may proceed.

MS. DENNISTON: Thank you, Your Honor, Karol Denniston on behalf of NorthWestern. Mr. Blue filed a late claim in November of 2005. After reviewing the claim with Mr. Harper, the litigator at NorthWestern that's been responsible for dealing with this file, we can advise the Court that not only is it a claim that was filed untimely, it's incomplete and possibly fraudulent. It does not provide the complete and accurate information of the litigation story at the State Court level. The claim is factually wrong. I have Mr. Harper here in the Courtroom today, Your Honor, who can testify to the facts, or I can provide the Court with a proffer, however the Court would like to proceed.

THE COURT: Go ahead. Put it in the record so we get

an order out that we've got a complete record on it.

MS. DENNISTON: Okay, so at this point, I should call Mr. Harper to the stand?

THE COURT: Would you raise your right hand, please?

WAYNE HARPER, DEBTOR'S WITNESS, SWORN

DIRECT EXAMINATION

BY MS. DENNISTON:

Q. Mr. Harper, can you state your name for the record?

A. Wayne Harper.

Q. And who is your employer, Mr. Harper?

A. I work for NorthWestern Energy.

Q. In what capacity?

A. I am Senior Litigation Counsel.

Q. And are you familiar with the litigation matter, Chuck Blue vs. NorthWestern Energy?

A. Yes, I am.

Q. Can you provide the Court with a brief background as to what this litigation matter is about?

A. This matter comes from Mr. Blue's feeling that somehow we took out a power line to his irrigation field improperly and his filing of the complaint and the subsequent (indiscern.) at the Trial Court level.

Q. And was the complaint initially filed in State Court?

A. Yes, it was.

Q. And are you also familiar with Mr. Blue's Proof of Claim

that was filed in November of 2005?

A. Yes, I am.

Q. And did you assist with the preparation of NorthWestern's objection to that claim?

A. Yes, I did.

Q. Okay, I want to walk you through a couple of exhibits. First of all, it is your understanding or do you have an understanding as to whether Mr. Blue received notice of this bankruptcy proceeding?

A. Yes, I know for a fact he did.

MS. DENNISTON: Okay, Your Honor, if I could mark as Exhibit #1, I'd like to mark the Notice of the Bankruptcy Filing that was filed in the Montana Fourth Judicial District.

THE COURT: Very well.

MS. DENNISTON: Thank you, Your Honor.

(Debtor's Exhibit-1 marked for identification)

BY MS. DENNISTON:

Q. Mr. Harper, are you familiar with the Exhibit-1?

A. Yes, I am.

Q. Can you tell the Court what Exhibit-1 is?

A. That is the Notice of Bankruptcy Filing I filed with the Missoula Court Judicial District Court and on -- is signed by me and on page two it shows the Certificate of Service to Mr. Blue.

Q. And what date was this filed?

A. This was filed the 23rd day of September, 2003.

Q. Next, I'd like to hand you a -- what we have marked as Exhibit-2. This is an Opinion and Order dated May 12th, 2003. Can you tell the Court what Exhibit-2 is?

(Debtor's Exhibit-2 previously marked for identification)

A. Exhibit-2, as you said, was -- is an Opinion and Order from Judge John S. Hanson of the Fourth Judicial District Court in Missoula and it set aside the default and judgment that Mr. Blue filed in his Proof of Claim on this matter.

Q. Can you tell the Court, if you know, how this order came to be entered?

A. Mr. Blue, as I believe he showed in his Proof of Claim by only filing the judgment and the writ, has kind of a history of trying to surreptitiously get his way. He filed the complaint against NorthWestern Energy, never served NorthWestern Energy, told the Court he had, and then moved for a default judgment, received it because on it he said he also served us with the Motion for Default Judgment. He did not. And subsequently, upon the facts being brought before the Court, vacated the judgment.

Q. Is it your understanding that the judgment that's the subject of Mr. Blue's claim is in fact the same judgment that was overturned by -- as a result of this default?

A. The judgments he filed with his Proof of Claim were exactly (inaudible) set aside.

Q. So, just to clarify that, that judgment is not valid and was overturned by this subsequent order?

A. By this subsequent order and by further trial in this matter, yes.

Q. All right, let me ask you this, was there a further hearing in this matter that involved a Summary Judgment Motion?

A. Yes, we -- when we were served and he was allowed to go forward with the complaint, we filed for summary judgment for NorthWestern Energy.

Q. And what was the result of the summary judgment?

A. After a two day mini-trial -- it was supposed to be a -- about an hour on oral argument, turned into a trial, we were granted summary judgment and a judgment was entered on our behalf.

Q. I'm gonna hand you what we're gonna mark as Exhibit-3. This an Opinion and Order. Also, (indiscern.) trial date of June -- July 23rd, 2003. Can you identify Exhibit-3 for the Court?

(Debtor's Exhibit-3 marked for identification)

A. Exhibit-3 is the Opinion and Order of Judge John Hanson. It was entered on the 22nd day of July, after the mini-trial that I just referenced.

Q. There was a Notice of Entry of Judgment that was also entered in connection with this Summary Judgment Motion, correct?

A. That's correct, we filed a motion.

Q. Let me hand you Exhibit-4. Would you identify this for the Court?

(Debtor's Exhibit-4 previously marked for identification)

A. That is the Notice of Entry of Judgment that had I filed with the Court on August 13th, 2003 after the appeal period would have run. And as shown on page two of that, I served it on Mr. Blue.

Q. And what is the status of the litigation in the State Court at the present time?

A. The litigation in the State Court, while Judge Hanson has politely been and asking for status reports given the bank -- notice of bankruptcy filing, he -- Mr. Blue appealed the Judge's order and the judgment to the Supreme Court of Montana.

Q. And has the Judge -- has Judge Hanson entered any further opinions or orders in this matter?

A. He has actually entered opinions that told Mr. Blue that his claim in District -- State District Court was somewhat moot and/or over, but that if he wanted to try to get relief from the automatic stay or something in Bankruptcy Court he had a certain number of days to try to do that and show the Court

that he was doing something.

Q. And in fact, Judge Hanson has made certain findings about the notice Mr. Blue received in the State Court proceeding, correct?

A. In his order, he said that the Court record reflected and Mr. Blue knew that there had been an automatic stay in a Bankruptcy Court had been filed and he was aware of that.

Q. Thank you. Mr. Harper, I want to hand you the last exhibit, which is the Opinion and Order that was filed September 19th, 2005. I've marked this as Exhibit-5. Can you tell the Court what Exhibit-5 is?

(Debtor's Exhibit-5 previously marked for identification)

A. That was the Opinion and Order the Judge Hanson recently entered, recently being September 19th of this year. And that's the one that in it he notes that Mr. Blue asserts that he didn't receive notice but that, in fact, he did receive notice.

Q. In fact, I would ask that if you wouldn't mind, if you would read the fourth paragraph of the Opinion and Order into the record.

A. "Mr. Blue, having not contested NorthWestern's assertion that a claim before the Bankruptcy Court is time barred makes this matter subject to dismissal. Mr. Blue can petition the Bankruptcy Court for a relief from the automatic stay and for

recognition of this -- of his claim. Because an avenue or relief may be possibly -- may possibly be afforded him, the Court determines the dismissal with prejudice is not appropriate. However, the Court will convert this matter to dismissal with prejudice, absent proof by Mr. Blue, that Mr. Blue has taken some action for his claim to be reinstated by the Bankruptcy Court. Mr. Blue has 60 days from the date of this Opinion to provide the Court with sufficient proof of such action."

Q. To your knowledge, did Mr. Blue ever file anything with the Bankruptcy Court, other than the late filed claim that was filed in the November of 2005?

A. To my knowledge, he's had no contact with the Bankruptcy Court, other than relative to possibly being on a phone call today.

Q. And the claim that he filed based on the Exhibits 1 through 5 that we just presented does not present this Bankruptcy Court with a true or accurate picture of his claim or the underlying State Court litigation, does it?

A. I would assert it doesn't at all.

MS. DENNISTON: Your Honor, I have no further questions of this witness.

THE COURT: That's all. Thank you very much.

(Witness steps down)

THE COURT: Any other matter?

MS. DENNISTON: Your Honor, as to the claim objection of Mr. Blue, we -- there's -- I would ask that the Court admit Exhibits 1 through 5. We had tendered the matter to the Court with the request that the Court enter an order disallowing the claim in it's entirety. The claim does not accurately reflect the status of the litigation. It is clear that the claim is untimely. It is also clear that Mr. Blue had notice of this bankruptcy proceeding.

(Debtor's Exhibit-1 admitted into evidence)

(Debtor's Exhibit-2 admitted into evidence)

(Debtor's Exhibit-3 admitted into evidence)

(Debtor's Exhibit-4 admitted into evidence)

(Debtor's Exhibit-5 admitted into evidence)

THE COURT: All right, let the record show that on October 10th, 2003, this Court entered an order establishing deadlines for filing Proofs of Claim and approving form and a manner of notice thereof. The order specifically directed that pursuant to Rule 2002(f), the Debtor shall publish notice of the bar date substantially in the form attached to the application, Exhibit-C, and in the USA Today, Wallstreet Journal, New York Times, the (indiscern.) South Dakota, Journal Rapid City, South Dakota, Billings Gazette, Billings, Montana, Great Falls Tribune, Great Falls, Montana, and The Daily

Missoulian, Missoula, Montana, at least 25 days prior to the general bar date, which publication is hereby approved and shall be deemed good, adequate and sufficient publication notice of both the general bar date and the Government unit bar date. The general bar date was set for January 15th, 2004. No Proof of Claim was filed by Mr. Blue before the January 15th bar date. In fact, it appears now from the record that Mr. Blue is not even a pre-petition Creditor and judgment had been entered against him prior to the filing of the bankruptcy petition. So the objection to the Proof of Claim filed by Mr. Blue as a late-filed claim is granted and the objection is -- and the claim is ordered expunged from the record.

MS. DENNISTON: Your Honor, may I hand up an order?

THE COURT: You may.

MS. DENNISTON: Thank you, Your Honor.

THE COURT: Thank you.

(Pause in proceedings)

THE COURT: Next matter?

MS. DENNISTON: Your Honor, should we return to the agenda?

THE COURT: Yes.

MS. DENNISTON: Matter #1 is the Debtor's protective objection to claim #707. This matter is being continued as it is tied to the pending appeals.

THE COURT: Very well.

MS. DENNISTON: Matter #2 is the objection to claim #571 and 1083. We've requested that this matter be continued because it is also subject to litigation between the parties.

THE COURT: Very well.

MS. DENNISTON: Matter #3 is the Reorganized Debtor's objection to the claim of Chuck Blue, which we have just addressed. Matter #4 is the objection to claim 1087 of the Matson Plaintiffs. Your Honor, this matter -- there was a settlement reached in the amount of $25,000 plus the assignment of whatever interest in certain insurance policy proceeds that may be available to provide coverage under this claim. The parties filed a stipulation under Certification of Counsel on January the 5th, 2006, docket #3413, and at this time we would like to hand up an order approving the stipulation --

THE COURT: Very well.

MS. DENNISTON: -- and the settlement. If I might approach?

THE COURT: Yes.

MR. MEITES: Your Honor, this is Thomas R. Meites representing the Matson claimants.

THE COURT: Yes, go ahead, sir.

MR. MEITES: I have a question for you, if I might, and perhaps counsel can assist me. Have the insurance

companies received any notice of this proposed settlement?

MS. DENNISTON: Your Honor, I would not be able to provide an answer to that question. I would have to defer it to NorthWestern.

THE COURT: Very well.

MS. DENNISTON: Mr. Harper is in the Courtroom, Your Honor, and confirms that notice has been provided to the insurance company.

THE COURT: Does that satisfy your inquiry, Counsel?

MR. MEITES: Thank you very much.

THE COURT: Thank you. All right, I'll enter and we'll file this order today.

MS. DENNISTON: Thank you, Your Honor. Matter #5 is the Motion of the Plan Committee in aid of consummation and implementation of the Plan for Order Authorizing and Directing the NorthWestern Corporation to Distribute Surplus Distributions. Would the Court like to proceed with the agenda or address this matter at this time?

THE COURT: We'll address it now.

MS. DENNISTON: All right, thank you, Your Honor. I'll tender the podium to the Plan Committee.

MS. PHILLIPS: Good morning again, Your Honor, Margaret Phillips of Paul Weiss Rifkind Wharton & Garrison on behalf of the Plan Committee in support of its Motion in Aid of

Consummation and Implementation of the Plan for an Order Authorizing NorthWestern to Distribute Surplus Distributions. By this motion, the Plan Committee is simply asking the Court to assist it in enforcing the Plan as written and confirmed. Despite any arguments to the contrary, the relief requested is not extraordinary, especially when the express language of Section 7.7 of the Plan requires the Debtor to distribute shares that constitute surplus distributions every 6 months from the effective date. The relief sought has been objected to and the Plan Committee has filed an omnibus reply asking the Court to overrule those objections.

As background, NorthWestern has been very successful in resolving the myriad of disputed claims pending as of the effective date. To that end, NorthWestern, as it represents in its response, has resolved all disputed claims, except those of Magten and Law Debenture in connection with the Quipps litigation and the hypothetical SEC claim. The SEC, at this point, is clearly barred from filing a claim and any suggestion that there should be a reserve for the SEC overlooks the plain language of the Plan and the operation of the Bankruptcy Code and the Bar Date Order.

Thus, the only valid remaining disputed claims are those of Magten and Law Debenture in connection with the Quipps litigation. As this Court is aware, disputed claims reserve

was originally funded with approximately 4.4 million shares of new common stock, and to date, as a result of the claims reconciliation process, the Debtor has distributed approximately 1.3 million shares, leaving more than 3 million shares in the disputed claims reserve. Of these remaining shares, 787,339 shares are segregated and are reserved for the Quipps litigation. Thus, the Plan Committee submits that there is more than enough in the disputed claims reserve to satisfy the requirements for surplus distributions to be made in accordance with Section 7.7 of the Plan and that the remaining shares, excluding those specifically reserved for the Quipps litigation, should be distributed at surplus distribution.

Lastly, it's the Plan Committee's position that to enforce the Plan as written, the Quipps litigation reserve should not be increased despite the language in certain stipulations or orders entered post-confirmation. However, to the extent the Court finds it necessary to increase the Quipps litigation reserve before surplus distributions may be made, it is the Plan Committee's position that the Quipps litigation reserve should not be increased to an amount greater than the full face value of the Quipps litigation as a Class 9 claim, which is approximately $48.8 million.

In sum, by this motion, the Plan Committee is only seeking the Court's assistance to enforce the Plan as written and

confirmed, and thus requests this Court overrule the objections and issue an order directing NorthWestern to distribute the shares that constitute surplus distributions in accordance with Section 7.7 of the Plan.

THE COURT: Well, will the order provide, if I accept your position, how many shares will be distributed and to whom?

MS. PHILLIPS: We believe that there should be -- what remains is 2 million, 309,079 shares and that in accordance with Section 7.7 of the Plan, it should be distributed pro rata to all holders of allowed claims.

THE COURT: To all -- which class? To which class claims?

MS. PHILLIPS: To holders of allowed claims of, I believe, class 7 and 9.

MR. AUSTIN: Your Honor, this is -- she's right, they're the class 7 and 9 pro rata.

MS. PHILLIPS: Does the Court have any other questions?

THE COURT: Thank you.

MS. PHILLIPS: Thank you, Your Honor.

MR. KAPLAN: Your Honor, I don't know if anybody else is gonna speak in favor of the motion before I start, but I don't know if anybody's on the --

MR. WILLIAMS: Your Honor, this is Matthew Williams at

Kramer Levin Naftalis & Frankel for the Ad Hoc Creditor's Committee, class 7 Creditors. We filed a brief joinder in support of the motion. We agree with the Plan Committee's statements, and we think the Plan is clear in that the supplemental distribution should be made; in fact, should have been made back in November.

THE COURT: All right, Counsel, thank you. You may proceed.

MR. KAPLAN: Thank you, Your Honor, for the record, Gary Kaplan from Fried Frank on behalf of Magten Asset Management. Your Honor, this issue is actually fairly simple and it comes down to one question, is the Court gonna treat all Creditors equally and fairly and enforce a stipulation that was negotiated by the Debtors and Law Debenture and was approved by this Court 14 months ago after notice was provided to all parties in -- to Parties-In-Interest, including the Creditor's Committee, or is the Court going to give certain Creditors a windfall at the expense of Creditors whose claims are still disputed? Boiled to it's essence, this is about fundamental fairness. Under the Plan that was confirmed by this Court, holders in class 7 and class 9 claims, including holders with disputed claims such as Magten, were entitled to receive a recovery in common stock of the Reorganized Debtors in the amount of approximately 68 cents on the dollar. As we sit here

today, Creditors with allowed claims who've already received the distributions have received over 100 cents on the dollar. So they've already received more than 30% higher than was their expectation at the time.

THE COURT: That wasn't because of the Plan, however, that was because of the market conditions that took place after the Plan was confirmed.

MR. KAPLAN: Well, I -- the market conditions, despite the Court's rule -- and it was a different Judge -- even though there was a contested valuation fight, when the stock was listed it immediately -- it was listed substantially higher than the Court had determined just, you know, 2 weeks earlier --

THE COURT: (Indiscern.).

MR. KAPLAN: -- about the value. But so -- but, you're right, it is the market conditions, but when Creditors are here saying, you know, it's not fair, you have to enforce, you have to give out stock, we do need to look at the fact that Creditor expectation at the time was 63 cents, they've gotten 100 cents, and for that -- and then we have other Creditors who still holding zero -- who have gotten zero that they cannot sit here and rely on, you know, it's unfair, it's -- you know, we need to enforce the terms.

Your Honor, the -- until the Quipps claims are allowed,

either via settlement or another Court order, the Quipps are entitled to have shares of stock reserved for them to ensure that once the claims are ultimately allowed or if they're ultimately allowed, that we receive exactly the same recovery that they -- that the class 7 and class 9 Creditors received, not one penny less. And the reserve structure that was set up in the Plan, it's not a novel concept, nor was it done because, you know, people wanted to be nice to the holders of the Quipps and set up a reserve. It was done so that -- because it was the only way for a Plan to satisfy the requirements of Section 1129, that it not unfairly discriminate against claimants with disputed claims. Absent the establishment of a reserve to ensure that holder's disputed claims would receive the identical recovery to holders with allowed claims on that day, this Plan could never have been confirmed.

And I think it's important to note also that, you know, as Your Honor is aware when the Plan was confirmed, Magten sought a stay pending appeal of the Confirmation Order, both at the Bankruptcy Court level and at the District Court level. And in both places, the briefs and the oral argument, one of the main arguments to the Court was you don't need a stay because there is no harm to Magten because there's a disputed claims reserve. And if at the end of the day their claims is allowed, they're entitled to pursue the litigation, and if they win their

litigation, then they are covered because there's a reserve. And that was one of the things that was relied upon by Judge Case in saying that there's no irreparable harm to Magten, and Judge Jordan found the same thing; and that's in the briefs and it's in the oral arguments. And if Your Honor wants, I can hand you copies of the briefs, but it was very clear that that was the -- one of the main arguments on there being no irreparable injury was -- and I'll read it into the record -- was that first Magten's remedies -- and this is from the Debtor's brief to the District Court, and the language is substantially similar in the one to the Bankruptcy Court. "First, Magten's remedies of law, i.e., the right to pursue the Quipps litigation with the recovery as a class 9 general unsecured claim, are fully protected by the Plan. Second, the claims reserve provided by Section 7.5 of the Plan, whether established by a Bankruptcy Court or through a stipulation, will adequately protect Magten's recovery, should it be successful on the merits. Given the protections provided to Magten under the explicit terms of the Plan, Magten cannot show that it would irreparably harmed if this stay pending appeal is not issued." And again, that was in the briefs and in the oral argument.

So to -- to ensure that the Creditors whose claims were disputed on the effective date would receive the same recovery

as those who had allowed claims, the Plan did require that they -- that the Debtors establish a reserve either using the maximum claim amount, meaning somebody filed a claim for 100 million, would you say, fine, we're gonna assume when we make distributions your claim is 100 million, or that the Debtors could -- or the Court could enter an order fixing -- estimating the amount and saying, you know what, let's assume it's only $50 million.

What the Debtors did in the case of Magten and in the case of PPL was that in order to permit them to go effective without having to reserve the full amount of the claim, is that the Debtors entered into a stipulation. And what the stipulation did was it said we're gonna create a sub-reserve. Within the disputed claims reserve we're going to have a sub-reserve for 25 million. We can avoid an estimation hearing. They said, look at all these claims. There's loads of -- there's gonna be extra in the reserve if you look at all these others, but we'll guarantee you that no matter what happens, nobody can invade this reserve. And you're going to have the sub-reserve, but it is not a cap on your recovery, it doesn't limit your recovery, all it means is that there will be a bunch of shares that are yours, nobody else can touch it. But the other claims -- if we messed up on the reserve and everybody else's claims are significantly higher, they can't touch your reserve. And the

stipulation, as I mentioned earlier, was approved by the Bankruptcy Court after notice to the Creditor's Committee and it became a final order. And that stipulation is binding on the parties, and it's res judicata and cannot now be challenged by the Plan Committee as they seek to do in their papers and say, well, it modified the Plan, it can't be done, and therefore it's inappropriate. If they had that problem, they had (indiscern.) time. If they disagreed, they had to take an appeal. They can't stand here 14 months later and say, "You know what, Your Honor, we think that stipulation and order was wrong. Disregard it's Plan's term -- this Plan terms."

And in considering the motion, it's important that we actually turn to the Plan terms of that stipulation. Paragraph one, as I said, provides for the creation of this sub-reserve that I talked about. Paragraph two of this stipulation -- and it was attached to the motions. And if Your Honor doesn't have it, I can hand it up to you. Paragraph -- would like a copy or does Your Honor have a copy of the stipulations?

THE COURT: I have it.

MR. KAPLAN: Do you have it or you'd like --

THE COURT: I have it.

MR. KAPLAN: Okay, paragraph two makes it very clear that the sub-reserve was not intended to limit the recovery of the Quipps, and provided that to the extent that the Quipps

claim exceeds their sub-reserve, any deficiency is to be satisfied out the general disputed claims reserve. And paragraph three makes it clear that if any other sub-reserves are created, such as the one for PPL that we're dealing with today, and those are released back into the disputed claims reserve, the Quipps holders, and this is a quote, "shall be entitled to draw" {close quote} from the -- from those reserves. So Your Honor, we have a binding final order of this Court that conclusively resolves this issue. It exactly dealt with what happens if you have multiple sub-reserves within the overall disputed claims reserve. One of those, the shares are released back into it, what happens? The stipulation did not say well, that's just surplus, it goes to everybody else, you don't have a chance. No, it specifically contemplated that the Quipps, therefore, could go into that -- could access those shares.

And Your Honor, even though the issue is conclusively resolved by the stipulation, the facts surrounding the disputed claims reserve and the sufficiency thereof or insufficiency are such that I think it's plainly -- it's just inappropriate to determine today that, well, there's a surplus and so, we can distribute it out. You know, I just heard Ms. Phillips talk about the amount of shares that are in there. But if you go to paragraph 21 of their reply, in their reply they admit that

they don't know how much is left. And it's amazing to me that you have a fiduciary for all Creditors, including the Quipps, that says we don't know how much is in there, but you know what, let's distribute it out anyway because, you know, why not? And this is a fiduciary for us. This is a Court appointed fiduciary for us.

And Your Honor -- so, so that -- so then we have -- so we have a disputed claims reserve that already is in -- they -- no Plan Committee is gonna jump up and down and say they never said it, but it's perfectly clear that the Ad Hoc Committee was very plain in the settlement hearing -- I don't even know how long ago anymore it was -- that they said, and it could not be clearer on the record, that they reviewed it and there simply isn't enough stock. We have an 1144 complaint out there saying the reserve is insufficient. Now, I know that's been stayed and I understand that that's still going, but when we're -- when people are coming into this Court and saying, "Your Honor, there's a surplus, distribute it out," given the facts, given the prior representations to the Court, given the existence of a complaint under 1144 saying that there is insufficient stock, it's inappropriate without any evidentiary basis, when they filed a reply saying, "Well, we don't know how much is in the reserve." Now, they stand up and somehow seem to know how much is there. But frankly, it's inappropriate for them to come in

today and assert, "Well, there's a surplus."

And, you know, the last point I wanted to raise, and I think this is something that hasn't been happening in the Court, so it's something that, you know, that Your Honor may not be aware of, sort of what's going on in the background, that is -- I would submit, is probably leading to this motion here today. Your Honor, there's been a lot of public filings and letters that are all filed with the SEC by Harvard, which is member of the Plan Committee, a member of the Ad Hoc Committee, and right now the Debtor's largest shareholder based on the fact that they purchased some claims at the end of the Chapter 11 case and became the largest share holder. Your Honor, they have been publically sparring with the Debtor's Board of Directors. They have been trying to get the Debtor's Board to embark on the sales process that the Debtor's Board so far has been reluctant to do. And in it's latest letter, which is dated January 5th and filed with the SEC on January 6th, Harvard stated that it intended to propose a new slate of directors for the Board, that it wants to remove the current Board of Directors. It urges the company to hold an annual meeting as soon as possible so that there could be a vote on this action. And Your Honor, I don't think the timing is coincidental that at the same time Harvard is trying to vote in its capacity as a share holder to remove the Board, it's

running into Court and saying, "Hey, get all the shares out to us," so that their voting position is larger. And that is what this is about at the end of the day. They are sitting there saying, "We want to effectuate change. There's stock in that reserve. We want to make sure that we get that stock so that when we get into the room to vote, we have more shares than -- that we have larger shares than anybody else." And Your Honor, I think that it's inappropriate and this Court should not become part of ensuring that Harvard can use that capacity.

And Your Honor, I have no doubt that at the end of my remarks, the Plan Committee, the Ad Hoc Committee, they're all gonna jump up saying, "Of course, our motives are pure as driven snow. It's all about truth, justice, the American way, where -- you know, everything is perfect. It's just, you know, Magten and Law Debenture, they're trouble makers yet again." But you know what, I think we have to look at this. And I think as we think about this, there are some fundamental questions that we need to ask. We have to ask why would fiduciary be seeking to distribute the remainder of the disputed claims reserve prior to resolution of all disputed claims? Why would a fiduciary make such a motion without doing the most elementary diligence and acknowledging that they don't know the amount of the stock in the reserve? Why would a fiduciary seek to make distributions knowing that it violates

the terms of a stipulation and order approved by this Court of which they had notice? And why would a fiduciary do all of this when there are Creditors who have already received 100 cents on the dollar, and there are Creditors who they've argued -- always argued are pari passu with those Creditors have received zero and have a claims reserve that would give them at most 50% of the recovery of these other Creditors? Why would that fiduciary be standing here today before Your Honor saying, "You know what, we don't care about them. Lock them in at only 50% of what they are entitled to under the Plan, but get it out there so that the rest of the -- that the rest of the Creditors can get more of a recovery." It just doesn't make sense. And Your Honor, I would submit that the reason is because of the other reasons that I said. They got a client saying, "You know, we got this share holder vote coming. We got all these other things. We gotta get this stock out of the reserve."

And Your Honor, when I started out saying this was about fundamental fairness, and at the end of the day, that's what this is about. Fundamental fairness requires that all Creditors, whether they have disputed claims or allowed claims, that are pari passu with one other as they have always asserted, are entitled to receive the identical recovery, not one penny less. And the Plan Committee just stood up here and said, "Well, if you argue and if the Court is somehow going to

say we'll increase the reserve for Magten, well, that's gotta be locked in at the face amount of the bonds and that's it." Well, you know what, Your Honor, there was pre-petition interest that I think there is no argument that we're entitled to. There are fees and expenses of the Indentured Trustee that were included in the Proof of Claim and that when the Indentured Trustee stood before Your Honor -- again, my dates are foggy because this case seems to have gone on forever. But when the Indentured Trustee stood before Your Honor and sought reimbursement of their fees and expenses, the argument was well, that's part of their Proof of Claim. They get the recovery as part of their Proof of Claim, and Your Honor ended up agreeing with them (indiscern.) and said, "Well, that's part of your claim." And so, now they stand here today and say, "Well, you know what, if you're gonna set a reserve for them, cap it out at the face amount, forget about pre-petition interest, forget that we told you before that the Proof of Claim covers the Indentured Trustee's fees and expenses, which are part of the Indenture and which are part of the Proof of Claim, forget that, because you know what, forget about these Creditors. We're tired of them." And you know what, if Your Honor is considering establishing a reserve for the amount of the Quipps, the amount has to include the pre-petition interests, and it has to include all fees and expenses that are

under the Indenture because they were all done as part of -- they were included in the Proof of Claim that was filed by the Indentured Trustee, and I have never heard anyone argue that the Indentured Trustee is not --

THE COURT: Well, I thought the Indentured Trustee has already been paid.

MR. KAPLAN: No, the Indentured Trustee -- Your Honor, may recall the Indentured Trustee was paid a very small component of it's fees.

THE COURT: Well, my --

MR. KAPLAN: The rest was to be --

THE COURT: My reading of the record is that they liquidated some six -- 53,000 shares.

MR. KAPLAN: They have, Your Honor, but that --

THE COURT: (Indiscern.) --

MR. KAPLAN: But they haven't been paid --

THE COURT: -- fees and expenses.

MR. KAPLAN: Yes, but that payment has come out of the Creditors.

THE COURT: Well, what --

MR. KAPLAN: And that's --

THE COURT: It may be that's where it should come out.

MR. KAPLAN: No, no, no, Your Honor, under the Indenture -- the way the Indenture works is that -- and Mr.

Snellings is in Court in Delaware and I have no doubt he'll correct if I misspeak. Under the -- the way the Indenture works is that the Indentured Trustee has two parties to look to. It has the Debtor and it has the Quipps Claimants. Even if it gets paid by the Creditors by taking out of the Quipps Creditor's distributions, that does not in any way, shape or form -- and the Indenture is crystal clear -- limit the amount of which the Debtors owe the Indentured Trustee and the Quipps Claimant. We have a claim and that -- this has not been contested by anyone on the face amount of the claim. The Indentured Trustee and the Quipps holders have a claim for the principle amount outstanding, for interest that's been accrued, and for all fees, costs and expenses. If the Indentured Trustee says, "You know what, I'm not waiting another 3 years for the Debtor to pay me. I am going to take it out of the amounts that have gone to the Quipps holders." They're free to do so under their charging (indiscern.), but that does not mean that it doesn't get repaid to the Quipps holders. What it means is, they have said, "Okay, well, we're going to take it from you first, but you then have to pay." It's an effect like an indemnity, but the claim is still existing. They have filed a Proof of Claim for it, which has not been objected to on that grounds. And again, the parties all argued when the Indentured Trustee sought it's fees and expenses in cash, they sit --

THE COURT: Well, we'll save that for another day.

MR. KAPLAN: Okay, well, then as long as that's not part of -- as long as we don't have an estimation that says recapped at the full amount, because if we do have that, then we'd have to deal with it today. What I would submit --

THE COURT: Well, what's the status of the Magten litigation or whatever's going on --

MR. KAPLAN: It --

THE COURT: It's all up in District Court.

MR. KAPLAN: It's all up in the District Court.

THE COURT: Why shouldn't the Distribution Order go up to District Court too? Why don't we just ask the Court that they withdraw the reference from this Court, settle the distribution issue also?

MR. KAPLAN: Your Honor, that would be fine with Magten. If the other parties brought the motion that they want to -- we are more than fine with bringing it up to the District Court. It does -- it's intimately entwined with the issues --

THE COURT: Well, what is the status?

MR. KAPLAN: The status is, Judge Farnan had a status conference in, I want to say November. There was a status conference. At the status conference the Debtors, supported by the Creditor's Committee said, "Hold on, Judge, don't say anything yet. Don't decide all the appeals. We want to give

mediation one more shot. It failed before, but, you know, mediation -- you know, things have changed. You know, we're hopeful this time it's gonna work, so hold on." We said, "You know what, this is gamesmanship. We're not gonna do that." Judge said, "Look, they're telling me today it's not -- he's gonna give it a shot. Give it a shot." So we tried mediation again. Unfortunately, mediation, like the prior mediation, was unsuccessful. So Judge Farnan said he's going to rule on the appeals by -- within the next week, although there's been a lot going on in Delaware, so I don't know whether he's going to actually do that. But he said he'd be ruling on the appeals. He did say he would start discovery immediately on the fraudulent conveyance claim. He asked the parties to agree on the appointment of a special master. And we have orders then, there have been Scheduling Orders submitted to Judge Farnan as recently as this past week with discovery schedules. We're waiting for the Judge to order an -- enter an order appointing the special master. The litigation is getting underway, there have just been delays getting all the orders entered. But, you know, we've had our Rule 26 Conference with the other parties on the litigation, and all of it is moving forward. And again, we have -- at least what Judge Farnan told us was if the mediation failed, he would have rulings on the confirmation appeal, as well as on the Motion to Approve the 9019 Settlement

in the middle of January.

THE COURT: Thank you.

MR. KAPLAN: Thank you, Your Honor.

THE COURT: Mr. Austin?

MR. SNELLINGS: Your Honor, John Snellings in Delaware. If I could just --

THE COURT: You may proceed, go ahead.

MR. SNELLINGS: Thank you, Your Honor. I just -- very quickly, I just want to join Mr. Kaplan and Magten on their argument on behalf of Law Debenture. And just to put a finer point on this issue of the fees, just as we did when we settled this case the first time, the -- Law Debenture, as Indentured Trustee, worked to apportion its fees between the option one and option two holders and -- in a fair and equitable way. And when we settle this case or get an order that settles it, we will do the same thing so that our fees are apportioned between the two, if we have to rely on the charging lien. And that's how that will work so that both groups of Quipps holders, option one and option two, will share in that burden through a settlement and negotiated settlement. But we join Magten's presentation here and request that the Plan Committee's motion be denied. Thank you.

THE COURT: Thank you. Maybe we ought to recycle the Settlement Agreement again in light of the settlement after --

which was made after the settlement of the PPL Agreement because they were screaming -- as I remember, the opposition was saying, "Well, there's enough shares. You're invading the surplus," or something of that nature. And now that that situation has changed, the settlement might look a lot more attractive. You may proceed, Mr. Austin.

MR. AUSTIN: Thank you, Your Honor. We appreciate your observation on that point. Before I go into any response to both the Plan Committee and to the counsel for the various Quipps holders, I would like to ask a question on the record so we have a complete record. My question is, is there any representative, any counsel for the Securities and Exchange Commission on the telephone and appearing today?

UNIDENTIFIED SPEAKER: There is none.

THE COURT: They have made no appearance.

MR. AUSTIN: And we'd like the record to be clear, Your Honor, that the SEC has made no appearance with respect to today's hearing. We can state in our place that they were given specific notice of today's hearing and they filed no papers in response to the matters on for today's hearing, given that opportunity to appear.

THE COURT: I'm prepared to sign an order stating that they have no claim against the estate and they're barred.

MR. AUSTIN: And we will go into that in our comments,

Your Honor. Your Honor, this Court asked Mr. Kaplan a very quick question whether this Court can decide the distribution issue or whether this needs to go to the District Court. Our perspective from NorthWestern is that this Court can decide this issue today, and I will give an explanation as to why. And we find ourselves, at least in today's hearing, in the interesting position that we agree in part with the Plan Committee and we agree in part with the Quipps holders. But we also disagree in part with both of them.

First and foremost, we would assert that there is no failure of NorthWestern to abide by the Reorganization Plan. To this part, we would agree with the Quipps holders that the Plan Committee and the Ad Hoc Committee's interpretation of the Reorganization Plan and the disregard of the stipulation setting reserves relative to both PPL and with respect to -- with Law Debenture and the Quipps, is just flat wrong. Section 7.5 of the Plan specifically provides that NorthWestern could agree in writing to set reserves and the terms thereof. This is specifically what NorthWestern did with the reserves -- stipulations with Law Debenture for the non-accepting Quipps and with respect to PPL.

To recap, Your Honor, what NorthWestern did prior to or in contemplation of the effective date, it initially established disputed claim reserve with claims totaling $140 million. And

that $140 million of claims was always in the disputed claims reserve. Thereafter, in negotiations with PPL on one hand and with Law Debenture on behalf on the non-accepting Quipps on the other hand, we negotiated a resolution of the disputed -- of their claims such that we did not have to put 100% of their face amount of the claim in disputed claims reserve, but we could do a segregated reserve for smaller amounts, which is exactly what we did. Those stipulations were subject to, as Mr. Kaplan pointed out, that to the extent we didn't use those -- that segregated reserve to resolve the claim for which the reserve was established, then that unused portion would drop back to the general disputed claim reserve for everybody else's claims that -- who still had unresolved claims.

THE COURT: Now, let me get something clear here so that I can pick it up. Is that why NorthWestern transferred 136,000 shares to Law Debenture and the warrants at the time, which was less than the 550,000 shares set in the Plan for the option one? Is that --

MR. AUSTIN: Yes, Sir, the option one shares went to Law Debenture because option one accepted and that was their -- we didn't have to set a reserve for their claims, period, because we knew what their claims were. What we really had left was -- I'm gonna give you some round numbers. Roughly the pre-petition Quipps claims, including interest, was roughly $69

million. Roughly $19.8 million of Quipps accepted the Plan. So we made a distribution to Law Debenture on account of that 19.8, roughly, claims, and that's what got distributed to Law Debenture. The balance, which is roughly $48.8 million of the face amount of claims, inclusive of interest we believe, is really what Mr. Kaplan and Mr. Snellings effectively represents today. But those -- and that's the claims that went into the disputed claims reserve. That's the claims that we did the segregated reserve of a $25 million claim and set aside stock for that $25 million claim.

As was noted, each of the stipulations specifically provided that if the reserve was not used to settle the claim, that reserve fell back into the disputed claim reserve so all undisputed claims could then still look to what then was in the completed pool. These stipulations were fully noticed with no objection from anyone and specifically including the prior Creditor's Committee, the forerunner of the current Plan Committee. Indeed, the PPL stipulation itself was incorporated into the October 19th Confirmation Order at paragraph 27. And the Law Debenture stipulation was filed prior to the November 1 effective date of the Reorganization Plan with no objections being filed. And it is acknowledged by NorthWestern that the segregated reserves for PPL was released to disputed claim reserve upon the settlement with PPL where we had to -- we used

none of the reserve for the PPL claim.

But NorthWestern does dispute and disagrees with the Plan Committee and the Ad Hoc Committee's view that all of the PPL segregated reserve is now surplus available for distribution to class 7 and class 9 allowed claimants. But again, we also disagree with Magten and Law Debenture that 100% of that necessarily has to stay in the reserve and not be distributed at this time. Whether and to what extent there may be a surplus in the disputed claims reserve available for distribution is dependant on whether NorthWestern is required to retain stock in that reserve for the balance of the non-accepting Quipps asserted claims and any amount for a civil claim that could be asserted by the SEC. Following this Court's comments it is prepared to say the SEC is now time barred, then NorthWestern's prepared to continue no reserve for any SEC claim, as long as that's incorporated into an order. For the Court's perspective, we did include no reserve, no claim for the SEC in the disputed claim reserve based on the fact that the SEC had not even filed a place holder claim by the established bar date, and that secondly, the Plan effectively released any such claim as to the Debtor, a Plan which the SEC reviewed and actually commented on.

With respect to the claims of non-accepting Quipps, let's give a recap so this Court's clear and aware of where things

stand. As we noted, Your Honor, the initial class 9 reserve was set at $140 million. That represented a Plan value 4 million, 409,100 shares. At this point, Your Honor, NorthWestern has settled all allowed claims, other than the Magten/Law Debenture claims of roughly 41 million, 700,000 of claims, which references and including the Matson claim, which was resolved today, would have provided for a distribution of roughly 1 million, 3 shares of the 4 million, 409 shares. That leaves at this point in the disputed claim reserves $98 million 325,692 of claims unresolved, and shares of 3 million, 96,628. Against those you do have a reserve of a $25 million claim already established pursuant to stipulation for Magten and Law Debenture, which equates to 787,339 shares set aside. What you then have is roughly a balance of 2.3, I believe, of shares available for distribution.

We would agree with Mr. Kaplan's comments with respect to one portion of the Quipps claims, and we also would agree with a portion of the Plan Committee's comments with respect to the Quipps claims. Where we agree with the Plan Committee is that to the extent that you are looking at a face amount of remaining claim, and we do believe this includes pre-petition interest, then the face amount of the non-accepting Quipps claim is roughly $48.8 million. If you subtract the $25 million that's already set aside in claims, that leaves, at

least as to the face amount of the claim, roughly $23.8 million. If you set aside shares for that, that would be another 751,348 shares. Where we agree with Mr. Kaplan and Mr. Snellings is that the Indenture -- the Quipps Indenture does provide that to the extent that the Indentured Trustee has to litigate to recover on its claims and prevails, then that Indentured Trustee is entitled to recover those fees and costs, I believe it's reasonable fees and costs, from the Debtor, from NorthWestern. And to preserve that claim, Law Debenture did timely file a Proof of Claim.

So Your Honor, to the extent NorthWestern -- and this Court is looking to determine if there is indeed a surplus -- is required to retain something for the Law Debenture non-accepting Quipps claims, we do believe it would be appropriate that there be an additional hold-back, if you will, for some amount of legal fees, which would be consistent with what NorthWestern did when it negotiated a resolution with the representatives and the Indentured Trustee for the Toppers. To recap that, and which is embedded in the reorganization claim, Your Honor, NorthWestern agreed in the settlement with the Toppers that it would pay $2 million 250,000, I believe, in cash to Wilmington Trust on account of the fees and expenses it incurred to litigate and to reach the settlement with NorthWestern. That did not pay 100%, however, and Wilmington

Trust did ultimately assert a claim for roughly $1.3 million on account of a charging lien -- Trustee's charging lien against the Topper's distributions back when we made distributions in November of 2004.

So it would be appropriate, we believe, Your Honor, to establish some additional reserve, if the Court is going to allow some additional reserve, for some attorneys fees. Taking just a ballpark number, we think that number may well be around $5 million. We recognize that might be high, but we also have reason to believe that a combination of Law Debenture's counsel and Magten's counsel either has reached that number or has exceeded it, so it's not an effort to put 100% in the reserve, but is at least allowing something in the reserve in the event they would prevail. If they don't prevail, then they're not entitled to that, and any stock offering not used that's retained would ultimately be distributed out to the class 7 and class 9 allowed claims.

If NorthWestern is required to retain additional amounts and that is all, there may well be -- and this is just for the Quipps, for this additional amount in the face amount of the claim and the additional amount for attorneys fees. And to put that in raw numbers, Your Honor, if you did that, that would be setting aside an additional 900 -- 8,000, roughly, shares for the non-accepting Quipps. And if you add that to the current

reserve of roughly 787,000 shares, and then subtract those two numbers or that summation from the undistributed shares of roughly 3 million, 96,000, there may well be a surplus of shares to distribute to this point of 1.4 million shares. If NorthWestern is to make any distribution, we believe it must be based on an order which provides recognition that there is no need to require any additional reserves for the non-accepting Quipps, as well as no additional -- no reserve at all for the SEC.

Mr. Kaplan is correct that as a Debtor, NorthWestern does owe a duty to all of it's Creditors to treat them fairly and consistently. To treat all Creditors fairly and consistently, it may well be the appropriate action to allow for an additional reserve for the non-accepting Quipps, but at the same time, check their numbers and provide for some additional distribution at this time. We would note that this may well provide resolution on this particular issue, and at this point, there then would not need to any additional surplus distribution process until -- unless and until the Magten -- the going-flat litigation and stuff is ultimately resolved, which is, as Mr. Kaplan pointed out, before the District Court for resolution.

All that said, Your Honor, NorthWestern's prepared to do what this Court may well think is appropriate, but we've tried

to give this Court the analysis of what may well be a decent road map to resolve the issue before the Court today. Thank you.

THE COURT: All right. Mr. Kaplan, you can respond to Mr. Austin.

MR. KAPLAN: Thank you, Your Honor. Your Honor, first off, I don't have the benefit of the math, and I've heard it today for the first time, but it's certainly not something that I can verify. With respect to the fee amount, the amount for legal fees, I don't believe that it's appropriate without a full Estimation Hearing, without -- you know, without any evidence to just say, "Well, you know what, we'll cap it at" -- you know, he threw out $5 million. We'll say that's the number and we're done. Litigation, as I mentioned, is in the early stages. Discovery is just starting. We've seen how long this case has gone on. You know what, if there's another 2 years of litigation, which, you know, for my own sake I hope doesn't happen. But if this goes on for a long time, those litigation -- the fees could be more than that. And I think the number that was thrown out was the number of fees to date. But the Proof of Claim doesn't say, you know, fees and expenses until January 10, '06. It's fees and expenses until the claim is allowed. And if there is going to be some process or some estimation, there needs to be a reasonable number to ensure

that at the end of the day the Proof of Claim that was filed by Magten and by Law Debenture get not one penny less than they are entitled to. And the only way that it can be any less than they are entitled to is with an Estimation Hearing or a number that you say, well, you know what, let's be, you know, well over and inclusive and come up with a number that's, you know, well higher so we don't have to do that. But I don't think that we can pick a number say, well, that's what, you know, maybe has been spent to date. Let's assume that that's the end of it and come up with a number.

THE COURT: Well, maybe I missed something here, but with regard to the last settlement that was proposed, as Mr. Austin stated, Wilmington Trust is going to get paid $2.5 million in cash, not shares.

MR. KAPLAN: No, that's a different --

THE COURT: And --

MR. KAPLAN: settlement. That was a settlement with the Toppers that -- what he was referring to was the settlement --

THE COURT: All right, now on that issue with regard to Law Debenture then, they can't take cash, they have to take the shares, is that what you're saying?

MR. KAPLAN: Well, they had trouble -- well, they -- we had tried. We had tried to get them cash and they had filed

a motion seeking to get their fees paid in cash and they -- you know, it was found that they were only entitled to a limited portion of their fees. So they are entitled -- you know, we believe and Law Debenture believes that under the Plan they are entitled to get it in cash. But, you know, the Debtor's position -- I believe the Plan Committee's position is that they have to shares. If they want to say today Law Debenture's fees get paid in cash, that may resolve that issue. But so long as they say well, they're stuck in the -- they're in the reserve, you know, we can't have two -- multiple claimants with disputed claims sharing against the shrinking pot. And that's what's gonna happen if you have claims that keep growing, but the pot doesn't expand. So again, if at the end of the day if all the numbers are right and the math is right, you know, yes, maybe there is some surplus. But I don't think we can have a surplus which says, you know, for every day that Magten -- that Law Debenture continues litigating, the amount of it's -- the amount that it can recover on its claim is going to shrink.

THE COURT: All right, thank you. Plan Committee counsel?

MS. PHILLIPS: Thank you, Your Honor. I hope to make this brief. The first point I wanted to address was the motivation of the Plan Committee. We're simply trying to enforce the Plan here. We're not trying to change what Section

7.7 says. We're not trying to, you know, do something that the Plan doesn't explicitly provide for. And, you know, as far as Magten's counsel questioning the Plan Committee, I mean, they have throughout this case tried to overturn the Plan, they've tried to modify the Plan impermissibly. So, I mean, we're the fiduciary that's actually trying to enforce the Plan and -- as written and confirmed.

THE COURT: Let me ask you this, Counsel.

MS. PHILLIPS: Sure.

THE COURT: Would you concede the under Section 7.7 of the Plan, which has to do with the surplus distribution, that it's contemplated that all of the disputed claims would be resolved before there would be a distribution from the surplus?

MS. PHILLIPS: It doesn't say that, Your Honor. If it said that --

THE COURT: Well, what does it say?

MS. PHILLIPS: What it says is there's to be surplus -- there -- it -- to the extent shares --

THE COURT: You mean it says to the extent that --

MS. PHILLIPS: To the extent shares --

THE COURT: -- a disputed a claim is not allowed or becomes an allowed claim in an amount less --

MS. PHILLIPS: That extent --

THE COURT: -- any excess will be attributable to the

claim and distributed? To me, that means that the disputed claim has to be resolved, and you can't to the distribution of surplus until there has been a resolution of all the disputed claims.

MS. PHILLIPS: But Section 7.7 also goes onto say that there are going to be -- to the extent shares become surplus distributions, there will be distributions -- surplus distributions every 6 months. The Plan could have said you're gonna have the initial distribution and then you're gonna have the final distribution. And instead, what the Plan provides is you're going to distribute surplus distributions, which is a differed -- defined term within the Plan, every 6 months. And so that is what under cuts any type of reading that you're only gonna have the initial and then the final once you resolve all the disputed claims.

THE COURT: Well, I guess I come down to the point where I just think the argument at this time is premature in view of the Magten outstanding litigation. Exploding out there somewhere between what they had said in their -- in the reserve of 25 million shares, to in excess of 48 million. And clearly, it hasn't been resolved. And for the rest of the Creditors now to come in and say, "Well, we don't care that it's under dispute, we'll take the $25 million figure, even though that stipulation provides specifically different. And we want the

rest of the shares." And then what happens if Magten recovers their $48 million plus and there are shares in there to cover that judgment? What happens then? Do we go back to your clients and say, "Hey, pony back up the shares."?

MS. PHILLIPS: The answer to that is, Your Honor, it's -- you know, the best they can do is they can -- I mean, one proposal by NorthWestern's counsel is that we hold back a reserve for Magten equivalent to their class 9 claim and --

THE COURT: Well, that's what Mr. Austin proposed --

MS. PHILLIPS: And --

THE COURT: -- and I want you to address that. He says perhaps there's 1 million, 4.

MS. PHILLIPS: Well, we would say that at that -- the -- at minimum, there's the 48.8 and then reasonable attorneys fees. And we would say that, you know, reasonable is not 5 million, 10 million. I'm sure that --

THE COURT: I'm not going to settle that issue in this -- on this motion. I can tell you that right now. That's an open ball game, where ever it comes down. But they have made an allocation of 908,000 shares for that potential liability, and that still leaves the 1.4 million share surplus, according to them.

MS. PHILLIPS: We would say that if there was -- if the Court could set a reserve for Magten in the full value of

their class 9 claim, you know, including attorneys -- reasonable attorneys fees to the extent they're allowed, then, you know, we believe that the Plan as written should be enforced and allow for a surplus distribution. It doesn't say only a surplus distribution when everything's resolved. It specifically provides that there will be surplus distribution every 6 months. I don't see how you can ignore that language.

THE COURT: Well, because until today, I guess, we really didn't know whether there was a surplus. And I will say this, that I interpret Section 7.7 as requiring a full resolution of all disputed claims before there can be a distribution. That only makes sense to me because if you don't get them all reserved, you don't know what is there (indiscern.). And Magten isn't resolved. That's the only one. But to say now, "Well, we want everything in excess of $25 million which was set aside in the stipulation," the stipulation doesn't say that. The stipulation was covered both sides of that recovery. If it's less, you get more shares yourselves. If it's more, Magten has to -- there have to be more shares given to Magten. So between the stipulation and 7.7, there has to be a protection to the disputed claim of Magten.

MS. PHILLIPS: Well, I think that --

THE COURT: And if we get that done, then if there's

some shares left at this time to comply with the 6 months rule, perhaps you're entitled to a distribution of that surplus.

MS. PHILLIPS: And I think to give affect to the stipulations and also to protect Magten's class 9 claim, the Plan Committee would be willing for there to be an increase of their reserve and that the Court should distribute --

THE COURT: And of course --

MS. PHILLIPS: -- everything else.

THE COURT: -- it would be in the interest of your client to go back and try to recycle the agreement that would have been made previously and you'll get more shares.

MS. PHILLIPS: Your Honor, we were not part of that Settlement Agreement. I --

THE COURT: Somebody was.

MS. PHILLIPS: Well, we were not invited to that party, Your Honor.

THE COURT: Well, invite yourself in. You've got an interest in it.

MS. PHILLIPS: I understand that, but I'm not --

THE COURT: I'm not trying to pressure you, I'm just trying to suggest that you maybe should do so.

MS. PHILLIPS: Well, we thought we should have been at the table the first time.

THE COURT: All right.

MS. PHILLIPS: As far as -- but as far as giving to effect the stipulations and the orders that were entered post-confirmation, as well as Section 7.7, the Plan Committee believes that you've -- there needs to be a surplus distribution per Section 7.7, and if that means there has to be an increase of Magten's reserve to the full amount of it's class 9 claim, we're willing for that to happen. But, you know, 48.8 and -- Law Debenture filed it's fee application asking for approximately $1 million, 25,000 worth of fees. That's close to $50 million. So we think that if there was a $50 million reserve in there of a class 9 claim, that everything else can go out and that should protect Magten.

THE COURT: All right.

MS. PHILLIPS: And that would give effect to the actual language in the Plan.

THE COURT: All right, thank you.

MS. PHILLIPS: Thank you.

THE COURT: Anyone else back in Delaware wish to speak?

MR. WILLIAMS: Your Honor, Matthew Williams for the Ad Hoc Committee, real quickly. I'm just -- I don't necessarily see a difference or an inconsistency between the stipulations and the Plan. I think what's being lost here a little bit is that Magten got a benefit in connection with the stipulation

that a lot of other Creditors didn't get. Magten got a segregated reserve, and in essence, was able to put off an estimation hearing on its claim. It said, "Okay, here Magten, don't worry about the reserves, we're going to set aside 25 million for you -- or a $25 million claim amount. And to the extent that -- and you're protected. And by the way, to the extent, at the end of the day, if you have a larger claim, you can come back and look to the disputed claims reserve." But nowhere in that stipulation does it guarantee Magten a certain amount that it's going to be able to recover from that reserve, nor does it guarantee --

THE COURT: I'm -- well, Counsel, I don't think it's a guarantee, I just think it's setting aside a reserve that was set aside for other Creditors, too. Take an example, the PPL claimants. It set aside a reserve for $50 million and the claim never came anywhere close to that so they got a release of over 2.2 million shares.

MR. WILLIAMS: I understand --

THE COURT: What's the difference between --

MR. WILLIAMS: -- Your Honor, but Magten --

THE COURT: -- treating Magten the same way as we did PPL?

MR. WILLIAMS: I completely agree with that, but all I'm saying is for Magten to come in now and say, "I'm entitled

to everything in that reserve" -- not only that, I would concede that if Magten's claim were settled today or tomorrow, they would be able to look to that reserve because that's what the stipulation says; the stipulation says I can look to the disputed claims reserve, right. But it doesn't say and it doesn't guarantee that what's going to be in that disputed claims reserve. And when you look at the Plan, the Plan says every 6 months we do a surplus distribution, and everything in that disputed claims reserve that's not segregated for somebody else is surplus and that should go out the door. So for Magten to come in now and say, you know, "You've got to keep everything in that disputed claims reserve" -- basically what they're doing is they want to amend their stipulation. They want to take their stipulation that says, "I'm entitled to hold back -- you know, you have to hold back $25 million for me," and they want to bump that number up.

THE COURT: And it works both way for you people. If the litigation does not generate $25 million in a judgment by Magten, you get the extra shares. If it exceeds $25 million, then the holders of such claims, the Quipp claims, will have the deficiency satisfied out of the disputed claims reserve. It works both ways.

MR. WILLIAMS: I agree, but --

THE COURT: That stipulation I'm not going to back up

on. You had notice of that stipulation.

MR. WILLIAMS: And I'm not asking you to back off --

THE COURT: And you signed off and that governs what the Magten -- how they treated the Magten claim.

MR. WILLIAMS: Your Honor, all I'm saying, I think, is that I would submit that I'm not asking you to back up on the Magten stipulation, I'm saying enforce the Magten stipulation pursuant to its terms. And what I think the Magten stipulation says is that you've got to hold $25 million segregated for me, and to the extent there's something in the reserve at the end of the day when my claim is settled I can look to that. But there's no guarantee as to what's going to be in that reserve. And indeed, the Plan requires that amounts in that reserve be distributed out. And the reason for that, and the reason Magten agreed to that is because they got a benefit in this stipulation. And the benefit they got that other unsecured -- disputed unsecured Creditors didn't get is that they were assured that no matter what, at the end of the day, whether PPL came in at a huge amount and there wasn't -- no matter what, they were going to get at least a $25 million claim, if their claim was allowed at that amount. And that's a benefit that other disputed Creditors didn't get here. And as to the nefarious motives that have been attributed to Harvard, the Plan Committee spoke to them, and I don't think I have to speak

further on that. We represent over 65% of the class 7 Creditors, and I will tell you that all of these Creditors are focused on, you know, getting these shares because the Plan requires that they get the shares in it's in their monetary to do so. And that's all I'll say on the motives point. I don't think there's such (indiscern.).

THE COURT: (Indiscern.) draw your opposition to a settlement that was proposed before?

MR. WILLIAMS: Your Honor, I -- no, I'm not -- if a settlement could be worked out, I don't think we would oppose it, I just wanted to explain our position on the record. I think that a settlement probably would make sense, but I just don't necessarily see that the stipulation and the Plan are contrary to each other. I can read them together. But I don't think the Ad Hoc Committee would stand in the way of a settlement.

THE COURT: All right, thank you, Counsel.

MR. KAPLAN: Your Honor, just so the record is clear on that point, one of the appeals that's before the District Court is our appeal of the denial of the 9019 Motion, which the Plan Committee and the Ad Hoc Committee, all of which are opposing our appeal saying this element is ridiculous, we never argued that there wasn't enough in the reserve and, you know, that settlement's crazy. But that's one of the decisions

that's before Judge Farnan is that in our view settlement, the Debtors always said and continue to say, is in the best interest of the estate. Their issue before that said there's not enough in the reserve presumably has gone away, and you know what, I mean, we would still say and have said before, the same settlement, increase the fees to cover the last year and a half of litigation to make sure there's not some lost, and we could all go home and the rest of the reserve could be distributed.

MR. WILLIAMS: Your Honor, Matt Williams again. One other thing I just wanted to clarify. What I was saying is I wouldn't oppose a settlement in this motion along the lines of what we were discussing earlier, i.e., you know, figuring out what a proper reserve for Magten would be at this time and moving forward to making a surplus distribution. At this point, we have no intention on settling that 9019 Motion. I just wanted to make that clear. Because we think --

MS. PHILLIPS: Your Honor?

MR. WILLIAMS: -- no matter what --

THE COURT: Thank you very such.

MR. WILLIAMS: Okay.

MS. PHILLIPS: Your Honor, Margaret Phillips again of Paul Weiss. Just to clarify the record and respond to Mr. Kaplan's response. The basis for the Plan Committee's

objection to their joint 9019 Motion was and continues to be that it violated the express terms of the Plan. In addition, we thought that the settlement was -- amount was too high, however, with respect to the appeal, the focus is on the legal issue of whether this Court was correct, and we believe it was, in denying that motion based on the fact that it was concurrent to the express terms of the Plan. That's it, Your Honor.

MR. SNELLINGS: Your Honor, John Snellings in Delaware. Just to clarify a couple statements with respect to the Plan Committee's statement about our fee application of 1.4 million, that was as of the effective date in November 2004. We are all well aware that much more water has gone over this dam since then, and that includes two failed mediations, both of which the Plan Committee was at the table, and as well as distribution issues, as well as the ongoing litigation in the District Court. And just to give a flavor of that with regard to the two orders that are before Judge Farnan, Magten and Law Debenture suggested that we could get discovery done in 4 months, but the Debtor and the rest of the parties want a year. So it's going to be very difficult for anyone to estimate what the total fees of Law Debenture will be in that litigation. And so I think this is a cautionary tale that we must proceed with any type of continuing reserve with regard to the claims of Law Debenture and Magten. Thank you, Your Honor.

THE COURT: Thank you, Mr. Snellings. I think I am disposed to telling all the parties that if they want to get a surplus, get a resolution of the Magten case. And until that case is resolved, there will be no Distribution Order. It seems to me that you can't have it both ways. You either sit down and get reasonable about it on both sides and try to get it resolved -- and it's obvious that there's -- if that is resolved there's a least going to be a distribution. And that'll be a benefit to all the clients. But if you're going to hold it up and let this thing go on for a year and 3 years, my difficulty with that is that the costs keep increasing, the surplus will get less, and you'll be hurting your clients. So that's the way I'll leave it.

MR. AUSTIN: Your Honor, we will present an order that -- based on your rulings.

THE COURT: Yes.

MR. AUSTIN: All right. Would this be a good time to kind of re-cap where we are then?

THE COURT: We're at the SEC claim.

MR. AUSTIN: Excuse me.

MS. DENNISTON: Excuse me, Your Honor, we have also one matter left on the agenda to dispose of, even though there has been an order --

THE COURT: Let's take up the SEC claim, and then

we'll go on to the last matter.

MS. DENNISTON: Thank you, Your Honor.

THE COURT: When I gave a status report, because I've got to report into -- I've got a request for (indiscern.) about where we're at in this case, and there's three more Judges coming on in April or May -- or March and April, and I suspect that some of this is going to be turned over to them.

MR. AUSTIN: With respect to the SEC claim, Your Honor, we think we can incorporate this Court's prior comments and ruling within the order on the Surplus Distribution Motion simply to say, you know, this Court has reviewed the record and they cannot assert a claim if they ultimately decide to assert a claim based on the --

THE COURT: Just put in the language that this does not prejudice the SEC's claim against any non-Debtor.

MR. AUSTIN: Correct. That's in the Plan, Your Honor, we'll put that in the order.

THE COURT: All right.

MS. DENNISTON: Your Honor, the last remaining item on the agenda is item #6. This was the Joint Motion of Franklin Mutual Advisors and the Plan Committee in Aid of Consummation and Implementation of the Plan Order Compelling Law Debenture to instruct DTC to distribute shares to holders. This Court did continue this matter at the request of the parties, but

it's my understand that Mr. Snellings is in Delaware and has comments for the record about the status of that distribution. And I wanted to be sure before we close the agenda that to the extent that there were any comments --

THE COURT: I vacated that hearing, didn't I?

MS. DENNISTON: You continued it, yes you did, Your Honor.

THE COURT: Yes. Yes.

MS. PHILLIPS: Your Honor, this is Marge Phillip again on behalf of the Plan Committee. Part of us filing that Motion for the Order to Continue and Vacate that was an agreement with Mr. Snellings that he would make certain representations on the record that the documents were to be finalized and that the distribution would go forward. So we would appreciate if he had an opportunity to make those statements on the record.

THE COURT: He may.

MR. SNELLINGS: Your Honor, I'll make this quick. With respect to the partial distribution, I can report to the Court and put on this record that Law Debenture has authorized its custodian, Commerce Bank, that was holding the warrants and shares, to initiate what is called a DWAK transfer to the transfer agent, LaSalle Bank; this is the transfer agent of NorthWestern, the Debtor. And as of yesterday, the two institutions did speak and confirm that today, January 11th,

that they were prepared to transfer 254,241 warrants to LaSalle, as well as 30,000 shares of stock. Per LaSalle's instructions, they were given notice of that yesterday, January 10th, that the transfer was going to occur January 11th. Last night at approximately 5:05 I received an email confirmation from LaSalle that they had received such notice and were prepared to receive such a transfer. I could not confirm, since Blackberries are taken from us as we enter the building, that the transfer had actually occurred, but all buttons were ready to be pushed. I also understand from communications with individuals at LaSalle that they have been in communication with bond holders communication group, the agent of the Debtor that is assisting LaSalle in the ultimate transfer to the participants. There is only one issue that is somewhat connected, yet outside of the various papers that the parties have drawn up in the last week, and that was the existence of a cash dividend that had been paid over the last several months to Law Debenture. Law Debenture intends to distribute that dividend. We had thought that it would best, since these are stock transfer agents, that we give a equivalent amount in stock so that there would be a consistency and ease of transfer. We understand early this morning that the Debtor might desire, as well as the Plan Committee, that a cash dividend, the cash actually be distributed. And to the extent

that whatever documents are necessary to finalize that type of distribution, Law Debenture promises to work with NorthWestern to finalize any requisite documents so that that distribution can continue as well. But with respect to the 30,000 shares and the 250,000 warrants, that transfer has not been in any way delayed due to the fact that we have this issue regarding the cash dividend. Thank you, Your Honor.

THE COURT: Well, I don't understand how the cash dividend can be paid in stock.

MS. DENNISTON: Your Honor, Karol Denniston on behalf of NorthWestern. We have advised Law Debenture that it is the Debtor's position that would be a violation of the Plan which requires the dividends to be paid in cash because the dividends travel with the shares themselves --

THE COURT: The post-confirmation -B

MS. DENNISTON: -- and it would be not only inappropriate, but it would impair possibly other distributions to the holders if the stock is used for that purpose. So we have advised the Debtor -- or advised Law Debenture that that would not be acceptable and that we will work with them to effectuate procedures to distribute the dividends, but they must be paid in cash. They are being held in a restricted account for that purpose at NorthWestern, and we cannot permit a distribution of shares.

THE COURT: All right.

MR. SNELLINGS: That's fine with us, Your Honor.

THE COURT: Thank you.

MS. DENNISTON: Your Honor, that concludes the agenda. I think Mr. Austin's going to handle the status report. In the event that there's housekeeping matters that are left, I'll address those at the end.

THE COURT: All right.

MR. AUSTIN: Thank you, Your Honor. With the rulings on the matter before the Court today, and as we have done a quick inventory of matters still pending or that impact the NorthWestern Chapter 11 case, we've come up with a list of only seven general areas. I say areas because two of these are in broad areas, but of these seven, there's really only four that I would put in the category are actually before the Bankruptcy Court itself. The first is that we did file a motion this week, last week, on negative notice to terminate the various Delaware Business Trusts that form the Toppers. And that was just a mechanical thing to get completed under the Reorganization Plan. We do not anticipate any type of objection, and once the notice period has run, we anticipate just presenting an order allowing that termination of those business trusts to occur. The second matter that still has some life technically are the claims that NorthWestern has to

address relative to Touch American, which filed claims in this estate, as well as claims Northwestern has filed against the TA case. For the most part --

THE COURT: (Indiscern.). Who was the last one?

MR. AUSTIN: NorthWestern's filed against the TA, Touch America, case.

THE COURT: Yes, okay.

MR. AUSTIN: For the most part, those claims are, as a matter of law under the Bankruptcy Court Code, subordinate because they're indemnification claims. In fact, we have shared with the TA, the Touch America counsel, a proposed stipulation that indeed allows the Touch America claims in an amount to be determined if it's necessary in the future, but to specifically provide for provisions of the Bankruptcy Code that those claims are subordinate because they're indemnification claims. We're also working with the Touch America counsel to resolve the claims in an adversary case that Touch America actually filed against NorthWestern to determine some of the issues raised in the McGreevy litigation in the Touch America bankruptcy case. That case is before Judge Carey. We think there'll be Cross Motions for Summary Judgment and there will be a resolution of that, but Judge Carey ultimately gets to decide that real issue.

The third matter that still is somewhat alive is the

adversary case which we filed against the McGreevy Class. This Court had granted a prior injunction, as requested, to prevent the McGreevy Class from pursuing State Court litigation post-confirmation. We have to come back and ultimately file a summary judgment to resolve that completely, because I know it was a preliminary injunction, but to complete that case. In the interim, the McGreevy Plaintiffs filed an appeal and filed a Motion for Interlocutory Appeal. That Motion for Interlocutory Appeal has been completely briefed. We are not aware of any request by the McGreevy Class counsel for oral argument, so technically that matter would be before this Court, and this Court would actually issue a ruling either granting or denying that appeal. That's -- obviously NorthWestern thinks the appeal should not be granted, but that one has been completely briefed and (indiscern.) issued.

The last matter that is still within the province of the Bankruptcy Court is to the extent that any issues arise relative to allowance of claims and availability of insurance to cover those claims under the D&O Trust, which was established. The mechanism under the D&O Trust is to the extent there was a dispute relative to the allowance of either the claim or the insurance coverage, that we would bring that dispute back tot he Bankruptcy Court for an ultimate adjudication. No issues -- I can advise the Court no issues

have yet actually come to litigation, although I can advise the Court that certain of the insurance carriers are taking the position that some of the remaining policies may not be available for the nature of the claims so that we may have an issue on that in a couple of months. But we don't have a live issue on it yet. I'm just letting the Court know as long as the Bankruptcy case remains open, and it has to remain open, that's one of the issues that could have to be addressed.

The other three matters are fairly discreet, although two of them involve multiple proceedings. A discreet matter is the litigation on allowance of the claim filed by the Carnival Hamilton entities. That matter has a Summary Judgment Motion pending. That litigation was transferred by this Court to Judge Baxter, who recently transferred that litigation and resolution of the summary judgment in the proceeding in the adversary case to Judge Carey. So that litigation is before Judge Carey, it technically is not before Your Honor.

The other matters that are still out there are all of the appeals associated with the Confirmation Order, the Settlement Order, what-have-you. And in connection with that technically, the adversary proceeding initiated by Magten and Law Debenture, generally referred to 1144 adversary case, of which has been noted this morning has been stayed pending the outcome of the appeals. Because there are appeals, there obviously is nothing

for this Court to act upon because this Court's been removed of jurisdiction based on the appeals.

The last matter that involves the bankruptcy case, but again, not this Court, is all of the relative litigation referred to as the Magten/Law Debenture going-flat litigation. All of that is currently with Judge Farnan, having withdrawn the reference of the pending adversary cases. And as noted, it is proceeding forth with discovery because unfortunately efforts to again mediate a resolution were unsuccessful.

So that gives you a re-cap, Your Honor, of what we have left, what few matters we think we have left in this proceeding. If you have any questions, I'm glad to answer --

THE COURT: No, that'll be enough. I can get that off to Judge Walrath and then we'll decide how she wants to assign them.

MR. AUSTIN: Okay. Thank you very much, Your Honor.

THE COURT: Thank you.

(Court adjourned)

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

_____ _____

Signature of Transcriber Date